

**MOUNTAIN PACIFIC INVESTMENT ADVISERS**  
**DOMESTIC EQUITY: RUSSELL 2500 BENCHMARK**

FOR THE MONTH OF: **SEPTEMBER** **2008**

**MANAGER PERFORMANCE CALCULATIONS**

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mountain Pacific	-5.38%	-0.38%	-10.17%	5.64%	9.41%
Russell 2500	-9.94%	-6.72%	-17.99%	0.91%	8.12%

**PORTFOLIO ATTRIBUTES**

<u>Characteristics</u>	<u>Mtn Pac</u>	<u>RU 2500</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
Mkt Value (\$m)	277.14	N/A	Healthcare	28.43%	11.54%
Wtd Cap (\$b)	6.32	2.39	Capital Goods	29.03%	19.72%
P/E	16.91	18.12	Technology	17.17%	11.13%
Beta	0.98	0.80			
Yield (%)	1.08	1.54			
Earnings Growth	17.00	19.00	<u>Under-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
			Consumer	5.92%	18.02%
			Energy	0.00%	9.54%
			Utilities	0.00%	6.95%

**PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS**

In September 2008, our portfolio outperformed the benchmark RU 2500 by 456 basis points due to the outperformance of our financial, healthcare, and consumer holdings. During the month, our financial holdings rose by 20%, led by regional banks, including Zions Bancorporation, Marshall & Ilsley Corporation, and M&T Bank. The banks are expected to benefit from legislation that would allow the government to purchase illiquid assets from financial institutions. Our health care holdings, which represent 28% of our portfolio, were down only 6% for the month. C.R. Bard, a medical device maker and one of our largest holdings, was up 2% for the month. The company plans to introduce several new products in the next year that are expected to lead to solid sales and earnings growth. Our results were hindered by a 11% decline in our industrial holdings, as concerns about slower economic growth weighed on share prices. In the past three months, our performance outpaced our index by more than 700 basis points, as our consumer, financial, industrial, technology, and health care sectors, all outperformed the index. In particular, an advance of 25% from the financial sector boosted our results. Inventiv Health, a provider of outsourced pharmaceutical services, declined 36% in the period after the company reduced their earnings outlook due to reductions in client marketing budgets. We expect the economy to continue to weaken. We will focus our efforts on companies that can continue to grow in this tough environment.

**MANAGER STYLE SUMMARY**

*Mountain Pacific manages a mid-to small-cap portfolio, employing a "GARP" (Growth At a Reasonable Price) investment strategy. Their portfolio holdings and characteristics will wander around the average stock in their benchmark, and they tend to favor companies which do not sell directly to the public and therefore, depend on sales to other businesses. Mountain Pacific runs a more concentrated portfolio than most, and as a result, their returns will diverge more dramatically from their benchmark, and sometimes for sustained periods.*

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**PORTFOLIO GUIDELINE COMPLIANCE**

SEPTEMBER

2008

Portfolio Guideline:	Mtn Pac	RU 2500	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m)				\$100.0	\$7,500.0	ok
B3. Wtd Avg Cap	6	2	264%	80%	120%	check
B4. Number of issues	56			35	55	check
B5. Security Positions <= 4% @ purchase						ok
B6a. P/E (12-mo trail)	16.91	18.12	93%	80%	120%	ok
B6b. Beta	0.98	0.80	1.23	0.80	1.20	check
B6c. Yield	1.08	1.54	70%	80%	120%	check
B6d. Expected Earnings Growth	17.00	19.00	89%	80%	120%	ok
E2. Commissions not to exceed \$0.06/share						ok
E3. Annual Turnover	17%				60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES**

B3. Wtd Avg Cap: Our Wtd Avg Cap exceeds that of the benchmark due to price appreciation of securities purchased. The median cap of the portfolio is \$3.95BB.

B6c. Yield: Our yield is slightly below the guideline range but not significantly so. Most of our companies pay little in dividends, instead plow earnings back in for growth.

**ORGANIZATIONAL/PERSONNEL CHANGES**

None.

**ACCOUNT TURNOVER**

Gained:	Number of Accounts:	Total Market Value (\$m):
Lost:	Number of Accounts:	Total Market Value (\$m): \$ -
	Reason(s): N/A	